

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

BKY 04-43862

Michael & Tammy Howe,

Debtor(s).

**NOTICE OF HEARING AND OBJECTION TO
CONFIRMATION OF CHAPTER 13 PLAN**

Michael Farrell, Chapter 13 trustee, by and through his undersigned attorney, hereby objects to confirmation of the Chapter 13 plan filed by Debtor.

1. The Court will hold a hearing on this motion at 10:00 a.m. on September 16, 2004, in Courtroom 8 West, United States Courthouse, 300 South 4th Street, Minneapolis, Minnesota.

2. Any response to this motion must be filed and delivered not later than 10:00 a.m. on September 15, 2004, which is 24 hours (1 business day) before the time set for the hearing, or filed and served by mail not later than September 13, 2004, which is three business days prior to the hearing. **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

3. Michael Farrell is the Chapter 13 trustee (“Trustee”) of the Debtor in the above-referenced bankruptcy case. This case is pending before this Court.

4. This Court has jurisdiction over this matter under 28 U.S.C. Section 157 and 1334. This objection is brought pursuant to 11 U.S.C. §1324 and 1325, Bankruptcy Rule 3015 and Local Rule 3015. This matter is a core proceeding.

5. Debtors commenced this case by filing a voluntary Chapter 13 petition on July 13, 2004. Debtors filed a Chapter 13 plan on that date and filed a modified plan on August 26, 2004. The modified plan provides for monthly payments of \$950 for a period of 36 months resulting in a dividend to unsecured creditors of 48 percent.

6. Trustee objects on the basis that Debtors’ plan is vague. The plan in paragraph 1 states “Debtors shall provide the Trustee with copies of all tax returns and will not spend any refunds received until the Trustee can determine how much needs to be paid to the Trustee as additional payments into the plan.” The plan provides no guidance whatsoever as to how the Trustee is to make such a determination. Trustee believes that the appropriate language is that Debtors will pay all tax refunds received during the three years of the plan to the plan payments.

7. Trustee further objects to the confirmation of the plan on the basis that Debtor is not submitting all of his projected disposable income during the first three years into the plan.

8. Trustee further objects because the plan is unclear. Paragraph 7 of the plan lists claim amounts for Ford Motor Credit of \$6,470 and Wells Fargo of \$11,000. It lists secured claims for Ford Motor Credit of \$6,500 and Wells Fargo of \$12,000. Trustee does not believe the secured claim amount should be larger than the claim amount. Further the plan proposes to pay Wells Fargo less than its secured claim.

WHEREFORE, Michael Farrell requests an order as follows:

- (A) Denying confirmation of the Chapter 13 plan; and
- (B) Granting any other relief the Court deems just and proper.

Hedback, Arendt & Carlson, PLLC

Dated: September 7, 2004

_____/e/ John A. Hedback_____
John A. Hedback, #142438
Attorney for Chapter 13 Trustee
2855 Anthony Lane South, Suite 201
St. Anthony, MN 55418
(612) 436-3280
Attorneys for the Movant

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

BKY 04-43862

Michael & Tammy Howe,

VERIFICATION

The Trustee verifies under penalty of perjury that the information contained in the foregoing motion is true and correct to the best of the Trustee's knowledge, information and belief.

Dated 9-7-04

A handwritten signature in black ink, appearing to be "Mike Farrell", is written over a horizontal line.

UNITED STATES BANKRUPTCY COURT
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In re:

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Michael & Tammy Howe,

MEMORANDUM

Debtor(s). -

Michael Farrell, Chapter 13 trustee, (Trustee) hereby submit its memorandum of fact and law in support of its Objection to Confirmation (Motion).

I. STATEMENT OF FACTS

The facts supporting the Objection to Confirmation are set forth in the attached verified motion. In addition, Trustee also relies on the representations made by Debtor in their verified Schedules on file and of record herein.

II. STATEMENT OF LAW AND ARGUMENT

Section 1324 provides that a party in interest may object to confirmation of a plan. A Chapter 13 trustee would be such a party in interest.

Section 1325 provides that the Court shall confirm a plan if it meets certain requirements.

Section 1325(a)(5) provides the Court shall confirm a plan if the plan provides that a secured claimant has either accepted the plan, is receiving its collateral or is paying the value of the secured claim on the effective date. The plan does not appear to provide that.

Section 1325(b)(1) provides that if an objection is filed by an unsecured creditor or the Chapter 13 trustee, the Debtor's plan must either pay unsecured creditors in full or provide for payment of all of Debtor's projected disposable income for the next three years. Disposable income is the amount of the income available after the payments reasonably necessary for the support of the Debtor and his dependents.

Disposable income is all income which is "not reasonably necessary to be expended... for the maintenance or support of the debtor or a dependant of a debtor..." (Section 1325(b)(2)(B)).

Hedback, Arendt & Carlson, PLLC

Dated: September 7, 2004

_____/e/ John A. Hedback_____
John A. Hedback, #142438
2855 Anthony Lane South, Suite 201
St. Anthony, MN 55418
(612) 436-3280
Attorneys for Movant

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**UNSWORN DECLARATION FOR
PROOF OF SERVICE**

Debtor(s).

The undersigned, being an employee of Hedback, Arendt & Carlson, PLLC, attorneys licensed to practice law in this Court, with office address of 2855 Anthony Lane, St. Anthony, MN 55418, declares that on the date below, I served the following:

1. Notice and Objection to Confirmation of Chapter 13 Plan;
2. Memorandum;
3. Proposed Order; and
4. Unsworn Declaration for Proof of Service.

upon each of the entities named below by mailing to each of them a copy thereof by enclosing same in an envelope with first class mail postage prepaid and depositing same in the post office at St. Anthony, MN addressed to each of them as follows:

Office of United States Trustee
1015 US Courthouse
300 South Fourth Street
Minneapolis, MN 55415

MICHAEL & TAMMY HOWE
15525 79TH ST NE
OTSEGO, MN 55330

JEFFREY MICHAEL BRUZEK
PRESCOTT & PEARSON
443 OLD HWY 8 STE 208
NEW BRIGHTON, MN 55112

James Geske
7650 Currell Blvd Suite 300
Woodbury MN 55125

Snap on Credit LLC
PO Box 506
Gurnee IL 60031

Riezman Berger PC
Marilyn J Washburn
7700 Bonhomme, 7th Floor
St. Louis MO 63105

and I certify under penalty of perjury, that the foregoing is true and correct.

Dated: September 7, 2004

_____/e/ John A. Hedback_____

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

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Michael & Tammy Howe,

Debtor(s).

**ORDER DENYING
CONFIRMATION OF
CHAPTER 13 PLAN**

This case came before the Court on the confirmation of Debtor's Chapter 13 plan. An objection to confirmation has been filed by Michael Farrell, Chapter 13 trustee. Appearances were noted on the record. Based on the file, record and proceedings herein,

IT IS HEREBY ORDERED: Confirmation of Debtor's Chapter 13 plan is hereby denied.

BY THE COURT

Dated: _____

U.S. Bankruptcy Judge